



REPLY TO  
ATTENTION OF:

DEPARTMENT OF THE ARMY  
U.S. ARMY ENGINEER DISTRICT, ALASKA  
RICHARDSON RESIDENT OFFICE  
P.O. BOX 898  
ANCHORAGE, ALASKA 99506-0898

August 26, 1997

Quality Assurance Branch - Construction

RRO/40

SUBJECT: Spencer Quarry, Contract DACW85-96-C-0020, Homer Spit  
Repair & Extension, Homer, Alaska.

Nugget Construction, Incorporated  
Attn: Mr. Randolph  
8726 Corbin Drive  
Anchorage, Alaska 99507-3411

Gentlemen:


We acknowledge receipt of Serial Letter 611-19, dated August 6, 1997, and Serial Letter 611-21, dated August 11, 1997. We do not necessarily agree that Spencer Rock Products is only a "vendor" for Miller Act purposes.

Based on the supporting costs that you outlined in Serial Letter 611-21, it appears that Nugget Construction has assumed full responsibility for operations at Spencer Quarry for the subject project. Therefore, as primary operator at Spencer Quarry, we believe Nugget Construction is responsible for prompt payment to suppliers and subcontractors who contracted with Spencer Rock Products on this project.

We request that you clarify what support and project management services Nugget Construction provided to Spencer Rock Products to account for the support cost that you have shown in Serial Letter 611-21. Further, please provide information showing what work, if any, has been performed by Spencer Rock Products under its subcontract with Nugget Construction.

Please direct any questions you have in this matter to the Project Engineer, Mr. David Scott, at (907) 384-7442.

Sincerely,

  
Thomas A. Johnson, P.E.  
Administrative Contracting  
Officer

Cc: United States Fidelity  
and Guarantee Co.  
Attn: Bill Wells  
4220 B Street  
Anchorage, AK 99503

EXHIBIT 3  
Page 1 of 2 Pages

WEL000050

To: USF+G  
Attention: Bill Wells  
☐ As You Requested ☐ Please Complete  
☒ For Your Information ☐ Please Sign & Return

Remarks:

Nasset is handling  
+ will continue to  
handle to keep us  
clean + out of this

Thank

WILLIS CORROON   
ANCHORAGE

By Jim Ferguson Date 8/20/07